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Chair: Mr. Taalas ..... (Finland)
Vice-Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Moon

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The meeting was called to order at 10.10 a.m.

Agenda item 134: Proposed programme budget for the biennium 2014-2015 (*continued*)

Progress in the construction of additional office facilities at the Economic Commission for Africa in Addis Ababa (A/68/517 and A/68/643)

1. **Mr. Cutts** (Assistant Secretary-General for Central Support Services), introducing the Secretary-General's report on progress in the construction of additional office facilities at the Economic Commission for Africa in Addis Ababa (A/68/517), said that, following completion of the building structure in February 2012, significant advancements had been made with the installation of finishing materials, including stone cladding, window frames and glazing, electromechanical items, ceilings, lighting and flooring. The main building was 92 per cent complete as at 30 November 2013.

2. While those developments were positive, the project completion had been delayed, mainly as a result of the contractor's late delivery of construction materials and inability to meet the construction schedule. Although 99 per cent of the required materials were now on site, he had recently been informed of possible further delays to the completion and occupancy of the building. His Office was monitoring progress closely and the project management team at the Commission would continue to work proactively with all stakeholders to ensure the swift completion of the project. Steps had already been taken in that regard, including installing office furniture ahead of schedule once spaces were completed in order to reduce the time it would take to occupy the building. Five tenants had confirmed their intention to take up occupancy, namely, the United Nations Office to the African Union, the United Nations Children's Fund, the United Nations High Commissioner for Refugees Regional Liaison Office for Africa, the United Nations Office for Project Services and the World Health Organization.

3. In its resolutions 56/270 and 62/238, the General Assembly had approved the required project components related to access, safety and functionality of the office facility. The ancillary projects included external electrical, civil and landscaping works. The design work for those projects had been completed and mitigation measures had been implemented to ensure that they were within budget, including sequencing and prioritizing critical works to allow for occupancy while non-critical works continued on site with minimal disruption.

4. While challenges persisted with regard to keeping to the construction schedule, the main building and the ancillary projects were expected to be completed within the approved budget and scope. The Commission, the Office of Central Support Services and the contractors were cooperating in implementing value engineering in order to control costs. The team had identified savings or avoided costs on electrical and site works without reducing the project's scope or adversely affecting the functionality of the project. As the project neared completion, the team's main focus was cost control and work schedules. To that end, it was monitoring construction output closely and was working with the contractors to develop resourceful ways to expedite the work while maintaining quality.

5. Once construction had been completed, his Office and the Commission, in close collaboration with the Office of Legal Affairs, would determine the most appropriate course of action to recoup the costs incurred by the Organization owing to the project delays caused by the consultants and contractors. The results would be contained in the Secretary-General's next progress report.

6. In its resolution 65/259, the Assembly had requested the Secretary-General to assess the status of conference facilities at the Economic Commission for Africa, in particular Africa Hall and Conference Room 1, to ensure that they were in strict compliance with the highest international standards for conference facilities. While emergency repairs to the roof and electrical infrastructure had been completed, more work would be required to modernize the conference facilities of Africa Hall to include access for persons with disabilities, exhibition and museum spaces, and an upgrade of furniture and conference support installations.

7. At the end of 2012, the Commission had concluded that the work of the consultancy firm hired to assess the Africa Hall premises and develop the scope of work for the renovation was inadequate. The Commission therefore planned to utilize the remaining resources to engage an international consultant with relevant expertise to carry out the detailed assessment. That contract would be signed in January 2014; information on the detailed assessment, design and cost

analysis would be reported to the Assembly at its sixty-ninth session. His Office would continue to provide the project owner with the necessary technical support and guidance.

8. Lastly, an assessment of the conference facilities at the Commission had been conducted and the renovation works were being implemented. Weatherproofing and emergency repairs of the roof had been completed in December 2012. The carpets were being replaced and the plumbing and drainage system were being upgraded to reduce the risk of internal leaks in the building. Budget estimates for structural works for building safety and security had been included in the proposed programme budget for the biennium 2014-2015.

9. **Mr. Moon** (Vice-Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/68/643), said that, while the Advisory Committee noted the progress on the implementation of the project, it regretted the one-year delay in its completion, attributed to performance issues on the part of the contractor, and the related financial implications both to the Organization and to the prospective tenants of the building. Once the full extent of damages had been determined, the Economic Commission for Africa should take appropriate action against the contractor.

10. Progress on the ancillary projects had been delayed mainly as a result of design deficiencies. There should be closer monitoring of the project to avoid any further delays and issues of accountability and responsibility for the recruitment and supervision of the design consultant should be examined.

11. The project management team had made commendable efforts to contain costs through value engineering. The Advisory Committee reiterated that value engineering should be continually pursued as a best practice. Flexible workplace principles should also be factored into all major capital projects.

12. With regard to the renovation of the conference facilities, particularly Africa Hall, the Advisory Committee was concerned about the slow progress of the assessment and design phase of the project, and expected that every effort would be made to expedite the recruitment of a design consultant with the experience and expertise to complete the task. Lastly, the report on requirements and cost estimates for the project should be submitted to the General Assembly no later than at its sixty-ninth session.

13. **Mr. Daunivalu** (Fiji), speaking on behalf of the Group of 77 and China, said that the Group welcomed the progress made so far on the construction project, despite the many challenges and delays. It had taken note of the reasons for those delays, and the associated costs. The Group was concerned about the continued delays to the ancillary projects resulting from technical shortcomings and concurred with the Advisory Committee that closer monitoring of the project was needed and that issues of accountability and responsibility for the recruitment and supervision of the design consultant should be examined. The Group commended the cost containment efforts of the project management team through the application of value engineering and stressed that value engineering should be pursued as a best practice rather than an ex post facto reaction to project implementation problems.

14. With regard to the flexible use of office space, the Group encouraged a cautious approach that took into account the specific needs and policies of each tenant; the working cultures of the respective organizations; local norms and standards; and human resources and other factors affecting the productivity of human capital. The Group was deeply concerned about the slow progress of the project to renovate the conference facilities at the Commission, in particular as a result of consultants' failures, the omission of resource requirements for the current biennium, and the assessment and design process for Africa Hall. The Secretary-General should take firm action to put the project back on track as a matter of priority. The Group would be seeking a number of clarifications in that regard, including the resource requirements for the current and coming bienniums and the extent of the involvement of the United Nations Educational, Scientific and Cultural Organization (UNESCO) in the project.

15. There was a need for commitment and accountability from senior managers at Headquarters and in the field. The project at the Economic Commission for Africa and other capital projects required close and regular oversight. It was therefore a matter of concern that the Office of Internal Oversight Services had not provided annual audit coverage for the project as mandated by the General Assembly in its resolution 63/263.

16. **Mr. Coffi** (Côte d'Ivoire), speaking on behalf of the Group of African States, said that the implementation of the construction project at the Economic Commission for Africa was of major interest to the Group of African States. It therefore welcomed the fact that, despite many setbacks, construction would be completed shortly and the facilities would begin to be occupied in January 2014. Nevertheless, the delays to the main construction project and the ancillary projects, described in detail in the Advisory Committee's report (A/68/643), were a matter of concern.

17. The Group welcomed the information on value engineering and concurred with the Advisory Committee that it should be pursued as a best practice rather than an ex post facto reaction to project implementation problems. Recalling that the Assembly had yet to decide on the flexible use of office space, he encouraged the Secretary-General to take into account the requirements of tenants and the situation on the ground.

18. The Group was deeply concerned about the delays in the renovation of Africa Hall, and the fact that the Secretary-General had not made any allocation for the project in his budget proposal for the coming biennium. In view of the General Assembly's comments, in its resolution 63/263, regarding the importance of guidance, interaction and coordination between the Secretariat in New York and the Economic Commission for Africa and the need for full accountability and oversight of the project, the Group was concerned that the Office for Internal Oversight Services, had failed to fulfil the auditing and reporting responsibilities entrusted to it under that resolution. The Group therefore urged the Secretary-General to ensure that all shortcomings were addressed as a matter of priority, taking into account the lessons learned and best practices adopted during the implementation of similar capital projects. In informal consultations, he would request clarifications on the steps taken to address shortcomings and accountability, and on the resource requirements for the project.

The meeting rose at 10.40 a.m.